



STATE OF CALIFORNIA

BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS
California's Investment and Financing Authority

NEWS RELEASE

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Arnold Schwarzenegger, Governor

William P. Wood, Commissioner

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California Department of Corporations Orders Five Unlicensed Internet Escrow Companies to Shut Down

SACRAMENTO --- The Department of Corporations today announced that it has ordered five unlicensed Internet escrow companies, Safely-trade.net of Arizona, Express-transfers.com of New York, Escrow-tripled Deals.com of Texas, Escrowac.com of London and Eurosafedeals.com of Europe (United Kingdom, France, Spain, Italy and the Netherlands) to immediately stop offering escrow services to the public on the Internet.

These five enforcement actions bring the total to 38 fraudulent escrow sites ordered to be shut down by the Department since May 2004. None of these Internet escrow companies applied for licenses to operate legitimately in California. There are about 650 independent escrow companies in California licensed by the Department of Corporations. The Department has licensed only one Internet escrow company in California to date.

State law regulates independent escrow companies in California and provides important protections to California consumers. In addition, state law requires licensing of companies that act as a middleman and hold customer funds in a trust account until the confirmation of delivery of goods, services, or the performance of a promised action has been completed. The licensing and regulatory process ensures that companies, their owners and key employees have been subject to background checks, that their financial records are in proper order, and that all customer funds are segregated in trust accounts until the terms of the escrow are met.

The Department is leading the Escrow Fraud Task Force comprised of the FTC, FBI, Southern California High Tech Task Force, LA County Sheriff's Department, and the Escrow Institute of California to coordinate fraud prevention and enforcement actions against fraudulent Internet escrow companies. To help educate and protect the public, Internet escrow fraud prevention information is available at the Department's website at www.corp.ca.gov.

The Department of Corporations is California's Investment and Financing Authority, reporting to the Business, Transportation and Housing Agency and the Governor. The Department is responsible for the regulation, enforcement and licensing of securities, franchises, off-exchange commodities, investment and financial services, independent escrows, consumer and commercial finance lending and residential mortgage lending. For further information or to obtain a complaint form, see the Department's Web site at www.corp.ca.gov or call 1-866-ASK-CORP (1-866-275-2677).